



# FINANCIAL PLAN SUMMARY

John and Jane Sampleton Q4 2023

- Lie to people who want to be lied to, and you'll get rich.
- Tell the truth to those who want the truth, and you'll make a living. → **This is where we operate.**
- Tell the truth to those who want to be lied to, and you'll go broke.



## Discuss Immediate Thoughts/Recommendations

- ▶ Consider a more simplified strategy for your investments (232 holdings)
- ▶ Upload 2022 tax returns and project what 2023 and 2024 would look like re: farm investment.
- ▶ Confirm income for 2023 and consider funding Roth IRAs if possible.

## Investment Plan

- ▶ Construct and implement investment strategy.
- ▶ Are you comfortable with any volatility at all?
- ▶ Benefits of a balanced portfolio:
  - ▶ More spending throughout the plan
  - ▶ Higher legacy amount

## Discuss Formally Working Together

- ▶ Account transitions
- ▶ Client agreement
- ▶ Next steps

AGENDA

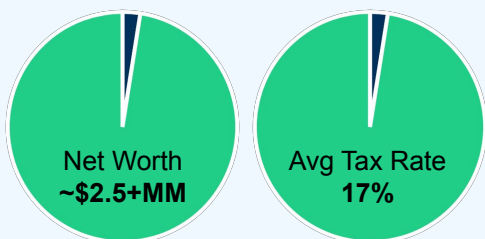
# ONE PAGE PLAN PLUS - MONEY BRIEF

## HOUSEHOLD SUMMARY

- John (64)
- Jane (62)

## RETIREMENT INCOME STYLE

- Let's find out - [RISA link](#)
- Preference for: ?



## TAX HIGHLIGHTS

- Need tax return from 2022
- Major purchase/investment from IRA analysis – compare loan to withdrawal to hybrid

## TOP PRIORITIES AND GOALS



Tax guidance.  
10-15 year runway.



How to manage large distributions  
from pretax accounts



Develop an investing and overall  
distribution strategy



"This is what I would do for a defensive  
approach for the portfolio."

## THE KEY AREAS OF PLANNING

- **Income plan:**  
Complete RISA survey. Do you have a preference for an income floor or are you okay with a variable spending strategy?
- **Investment plan:**  
It will be important to keep pace with inflation. Discuss portfolio construction and tradeoffs for different return targets. Discuss what metrics we look at to determine the quality of the portfolio. Right now, there are 232 holdings. We can simplify this, not harm any return numbers, and decrease risk.
- **Tax plan:**  
Most likely, we would do a hybrid solution to fund the farm investment with a combination of loans and withdrawals (that's the mathematical solution). Otherwise, discuss trade offs for funding with all pretax dollars.
- **Insurance plan:**  
What is your current health insurance plan and LTC plan?
- **Estate plan:**  
What documents do you currently have in place?

## IMMEDIATE RECOMMENDATIONS

- Consider a more simplified strategy for your investments (232 holdings)
- Upload 2022 tax returns and project what 2023 and 2024 would look like re: farm investment.
- Confirm income for 2023 and consider funding Roth IRAs if possible.

### Retirement Funded Ratio (live to 90)

Expected Net Return	Funded Percentage
0%	76%
1%	80%
2%	86%
3%	92%
4%	98%
5%	106%
6%	114%
7%	125%



# INFO NEEDED AND ITEMS TO THINK ABOUT:

## INFORMATION NEEDED

- Jane Social Security statement
- Other income sources that could impact your tax return
- Income goal/burn rate per month or year

## SAVINGS/INCOME

- Discuss Social Security claiming strategies
- Project 2023 and 2024 taxes using various scenarios for farm investment

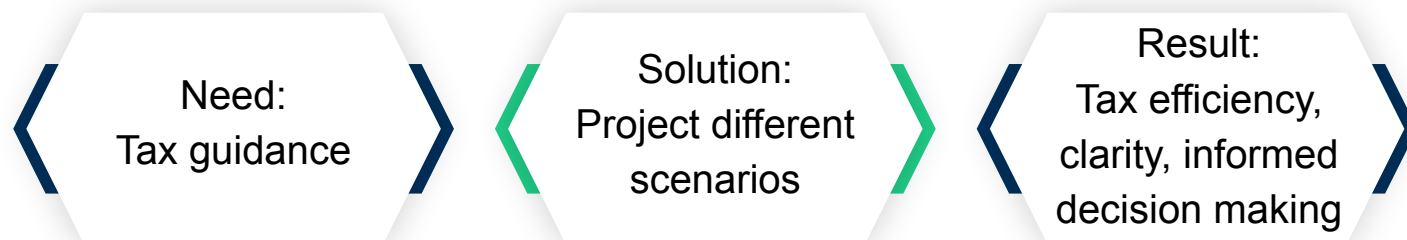
## INVESTMENT PLAN

- Think about portfolio in terms of use-by dates or bucketing
- Benefits of a simplified portfolio:
  - Easier to manage, navigate logistics of withdrawals, simplicity = sophistication
  - Not giving up returns by simplifying
  - Current portfolio is a, “job security by confusion” allocation

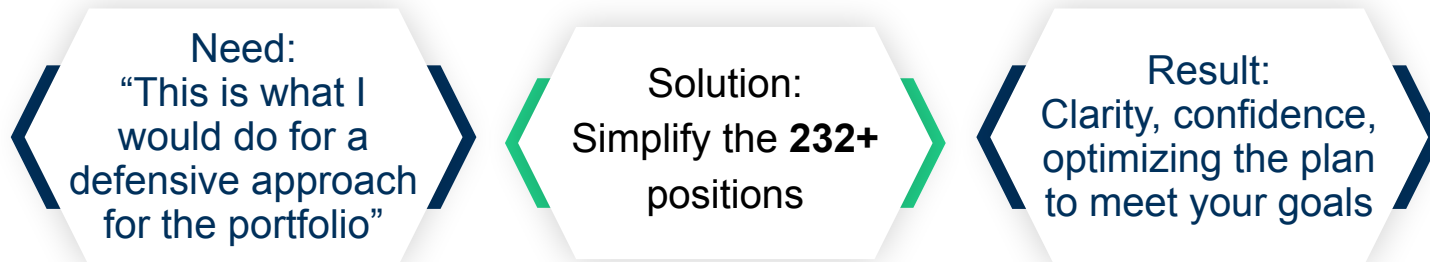
# PROBLEM → SOLUTION → RESULT

## PRIORITIES

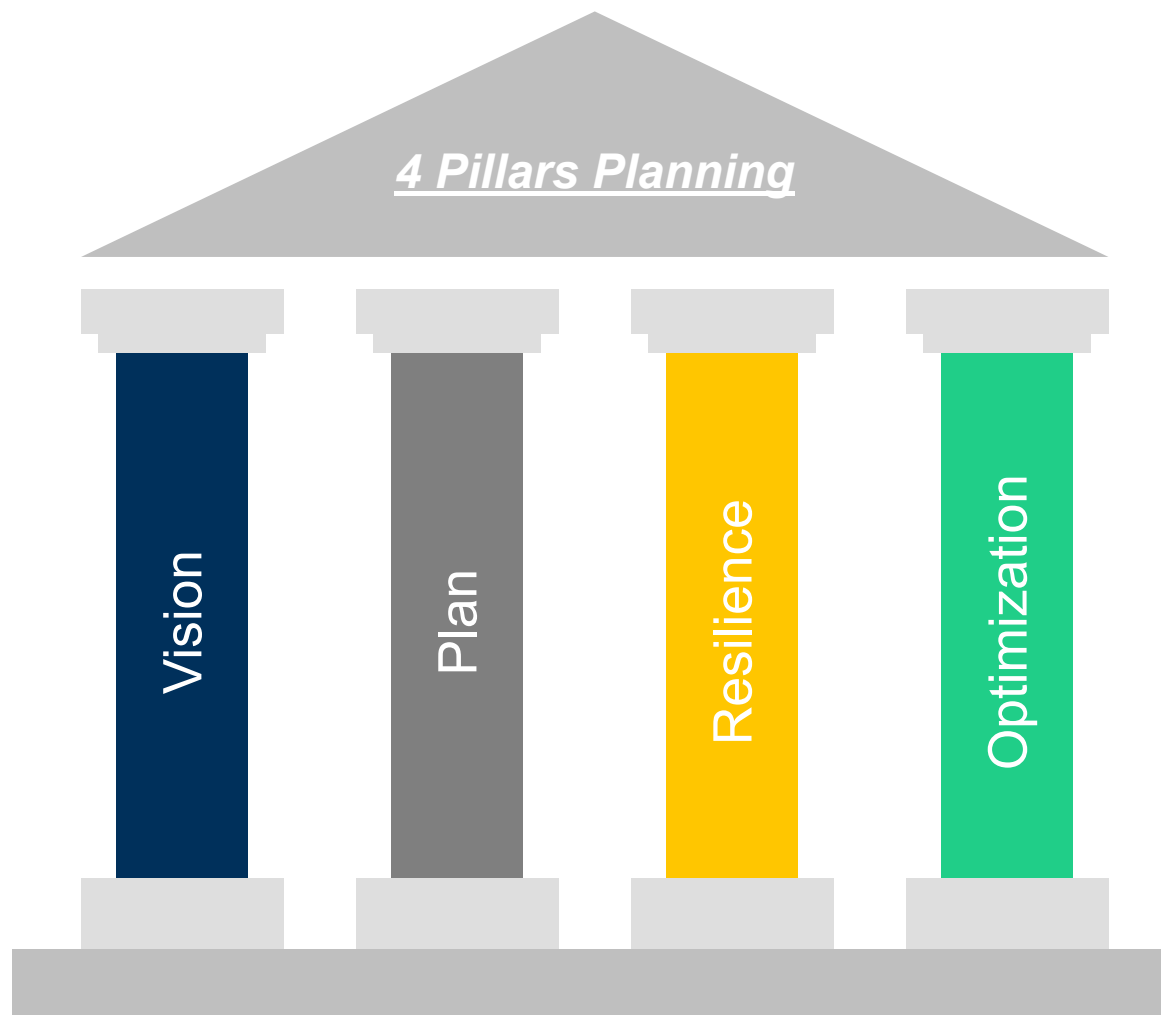
### Create a plan regarding taxes (large distribution)



### Develop an investing and overall distribution strategy

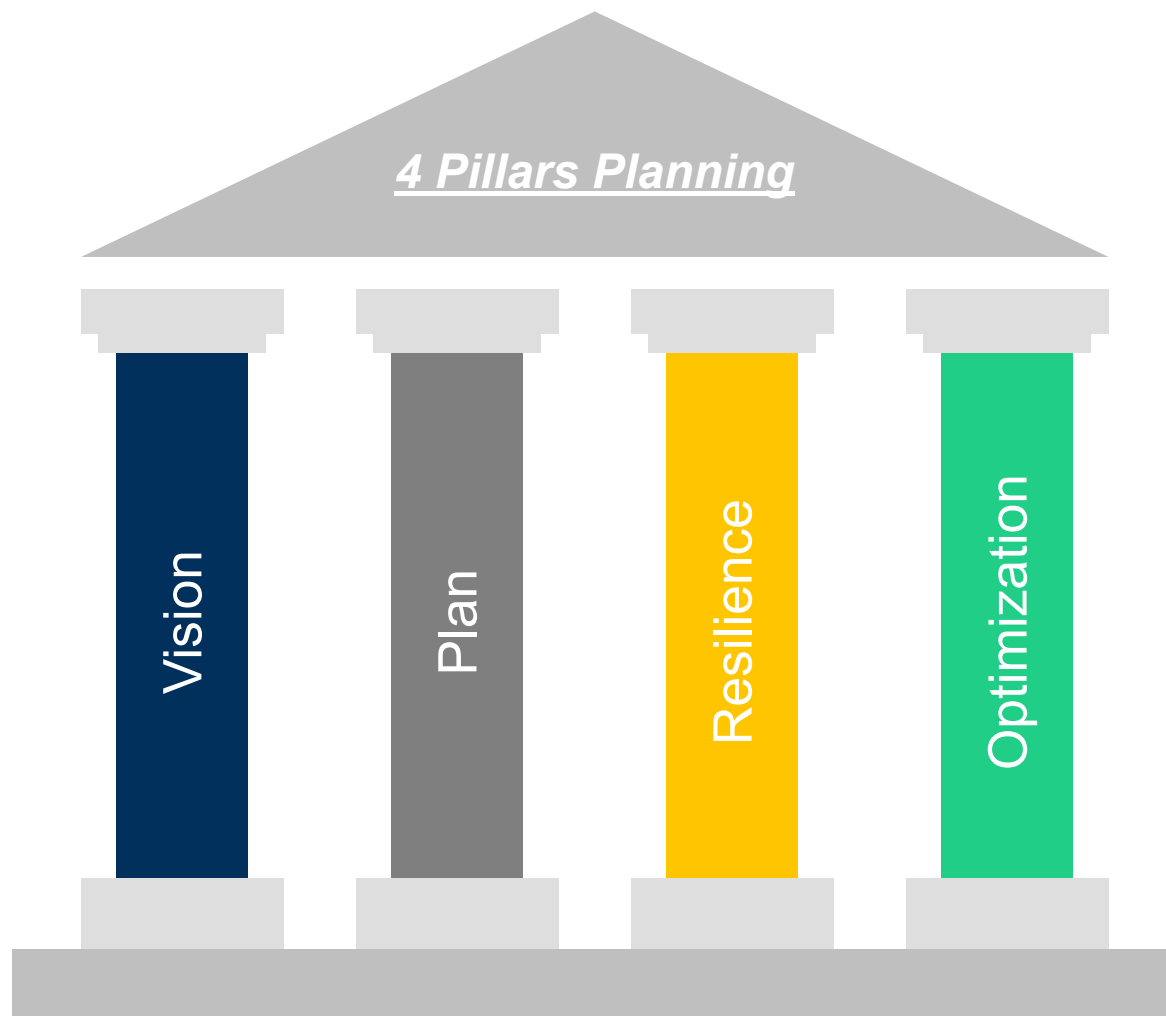


# WHAT EXACTLY WOULD WE DO?



- **Vision:** What do you want? How do you want to spend your time? (Doing what you want, when you want, where you want, with whom you want.)
- Feasible **plan** of record: “These are the goals I want to achieve, these are the resources I have, is it feasible that I can do it?”
- Make the plan **resilient**: What-if and stress test. “How can I ensure I don’t get knocked off course when a storm comes in?”
- **Optimization:** How can we make the plan even better? Tax planning, distribution planning, custom investments, estate planning.

# WHAT WOULD BE THE RESULT?



- Vision: Increased **clarity** in knowing where you're going to go and why you're going there.
- Feasible plan of record: Increased **knowledge** that your plan is viable.
- Make the plan resilient: Increased **confidence** knowing that your plan will be successful regardless of any speed bumps.
- Optimization: Taxes **saved**, fees reduced, goals **achieved**, retirement **enhanced**, a true **partnership**.

# INVESTMENT SOLUTIONS: SAMPLETON

## Overall goals:

- Equal or higher return
- Reduced risk
- Reduced complexity
- Reduced fees

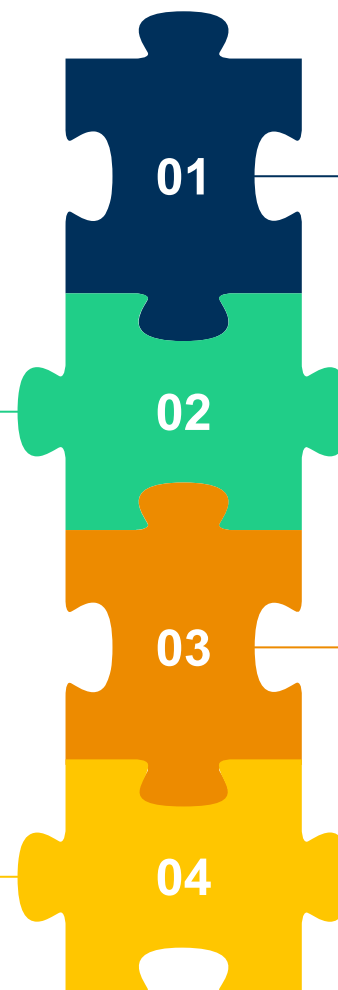
### Bucket 2 - Income/Ladder - 2-5 Year Time Horizon

2-3 years of income goal in fixed income solutions.

Example: [Private bond fund](#), CD/Bond ladder, hedged ETFs, custom notes..

### Bucket 4 - Stocks, ETFs, Funds - 7+ Year Time Horizon

Index, Factor, or Tactical portfolio sleeve designed for highest return.



### Bucket 1 - Stability - Short Term

2-3 years of cash or equivalents in interest bearing solutions.

Example: \$150,000 annual withdraw is \$300,000 to \$450,000 in cash.

### Bucket 3 - Protected Growth - 5-7 Year Time Horizon

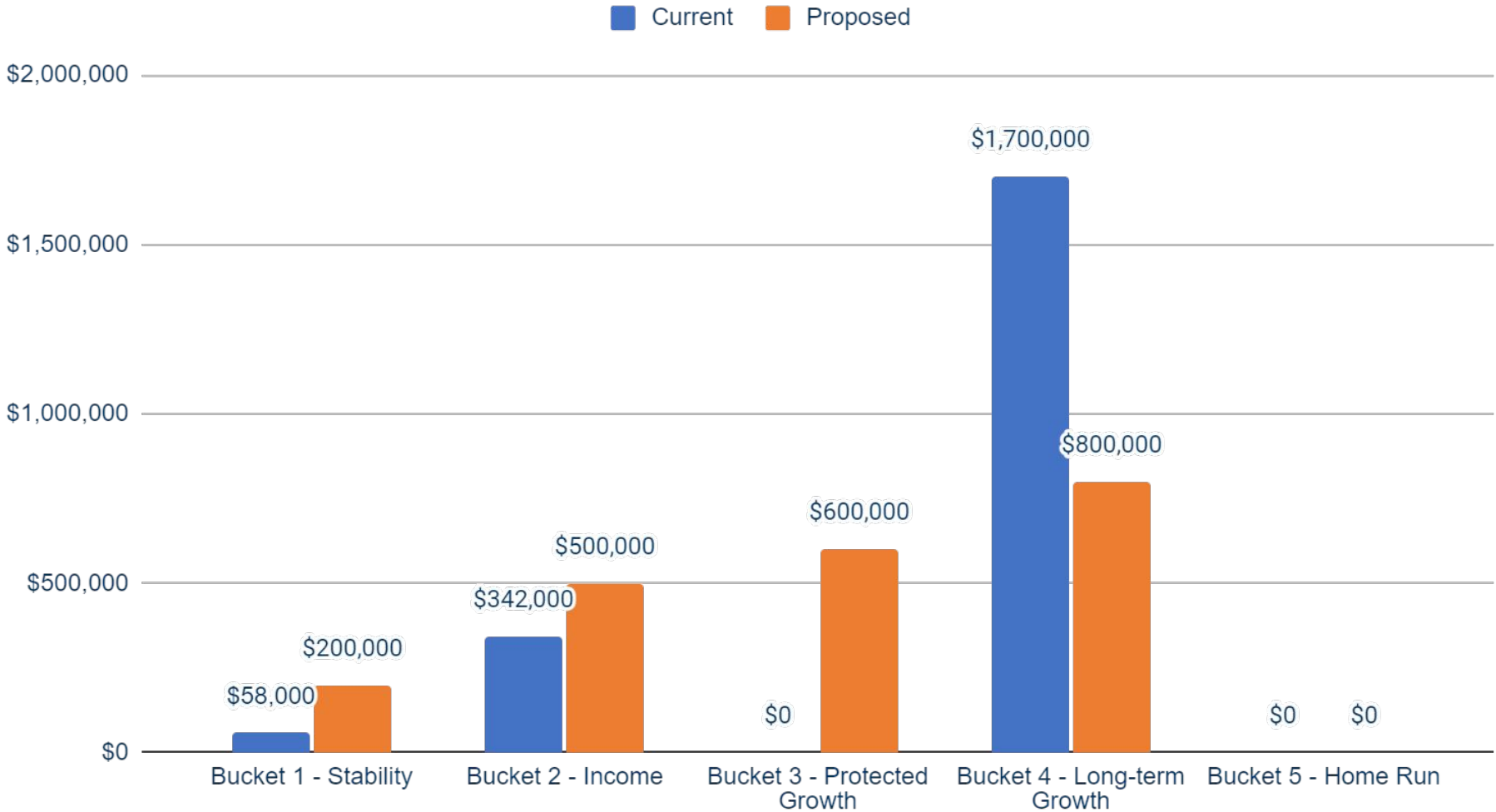
Hedged ETFs or custom notes that hedge downturns.



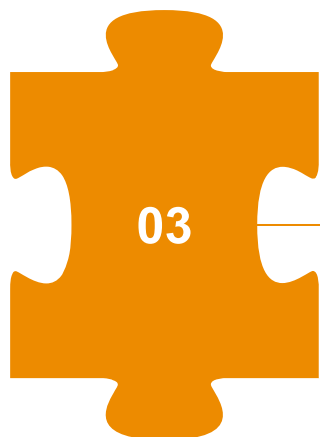


# INVESTMENT SOLUTIONS: SAMPLETON

5-7 years of \$100k in cash/bonds



# INVESTMENT SOLUTIONS: SAMPLETON



## Bucket 3 - Protected Growth - 5-7 Year Time Horizon

**Goal:** Participate in the market's upside with lower risk than the market. Stay invested during turbulent times. Beat bonds or other alternatives.

### Overall goals:

- Equal or higher return
- Reduced risk
- Reduced complexity
- Reduced fees

## EXAMPLE: PJAN

Seeks to track the return of SPY (S&P 500 ETF), up to a predetermined cap, while buffering investors against the first 15% of losses over a twelve month period, beginning January 1st and ending December 31st.

Since 2019 to 2023, PJAN has participated in 62% of the upside for 44% of the risk of SPY!

### Year: 2023

**Cap:** 18.05% (net of fees)

**Buffer:** up to -14.21% (net of fees)

#### Result:

If today was 12/31, the investor would hit the cap of 18.05%.

### Year: 2022

**Cap:** 8.2% (net of fees)

**Buffer:** up to -14.21% (net of fees)

#### Result:

PJAN	SPY
Return: -5.22%	Return: -19.48%
Volatility: 14.04%	Volatility: 24.22%

### Year: 2021

**Cap:** 8.87% (net of fees)

**Buffer:** up to -14.21% (net of fees)

#### Result:

PJAN	SPY
Return: 8.87%	Return: 27.04%
Volatility: 4.85%	Volatility: 13.08%

### Year: 2020

**Cap:** 7.73% (net of fees)

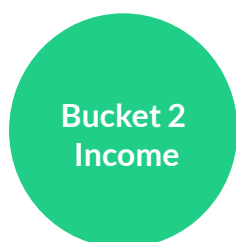
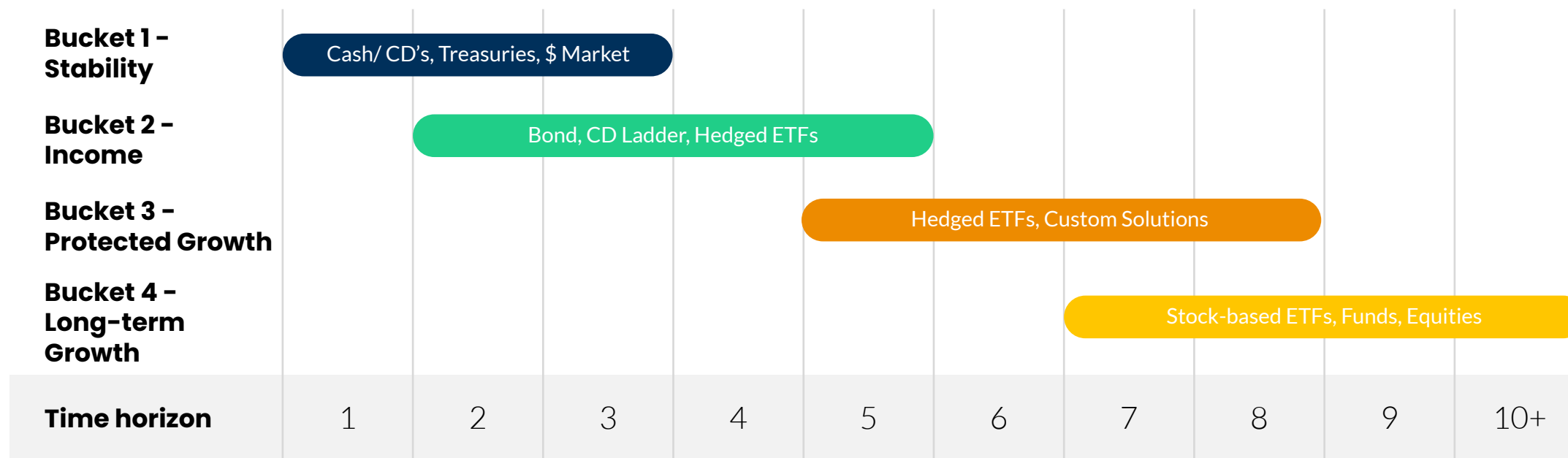
**Buffer:** up to -14.21% (net of fees)

#### Result:

PJAN	SPY
Return: 7.73%	Return: 16.28%
Volatility: 19.14%	Volatility: 34.36%

# Timeline Matching Investment Strategy

A common sense approach to portfolio management and visualization.



Cash, CD's, Treasuries, Money Market.  
Assets that cannot go down in value.  
Short-term liquidity.  
War chest of cash to offset potential market declines.

Income generation.  
Lower risk and volatility than stocks/stock funds.  
Predictable income/growth.

Mid-term goals (5+ years).  
Hedged ETFs (protect downside with upside cap/potential).

100% Equities (stock-based funds, ETFs, or equities).  
10+ year time horizon.  
Long-term wealth building/sustaining.

# Protected Portfolio Investment Strategy (ETFs)

## Start Here:

1. Select outcome period (Example 12 months)
2. Select Buffer level (Example 15% buffer)
3. Weigh trade offs of choices

## Level 1 (Most volatile)

Accelerated upside and 1:1 downside

Accelerated upside and 1:1 downside

X

Accelerated upside and 1:1 downside

## Level 2

X

9% protection

X

9% protection;  
-10% floor

## Level 3

X

15% protection

X

15% protection

## Level 4 (Safest)

10% or 20% downside protection

30% protection;  
100% protection (custom solution: min \$200k)

100% protection

X

Outcome Period

3 months

12 months

24 months

Continuous

Level 1

Level 2

Level 3

Level 4

These strategies are the most volatile, however, can put the portfolio in position to potentially outperform benchmarks. They attempt to increase returns for a 1:1 risk with the benchmarks.

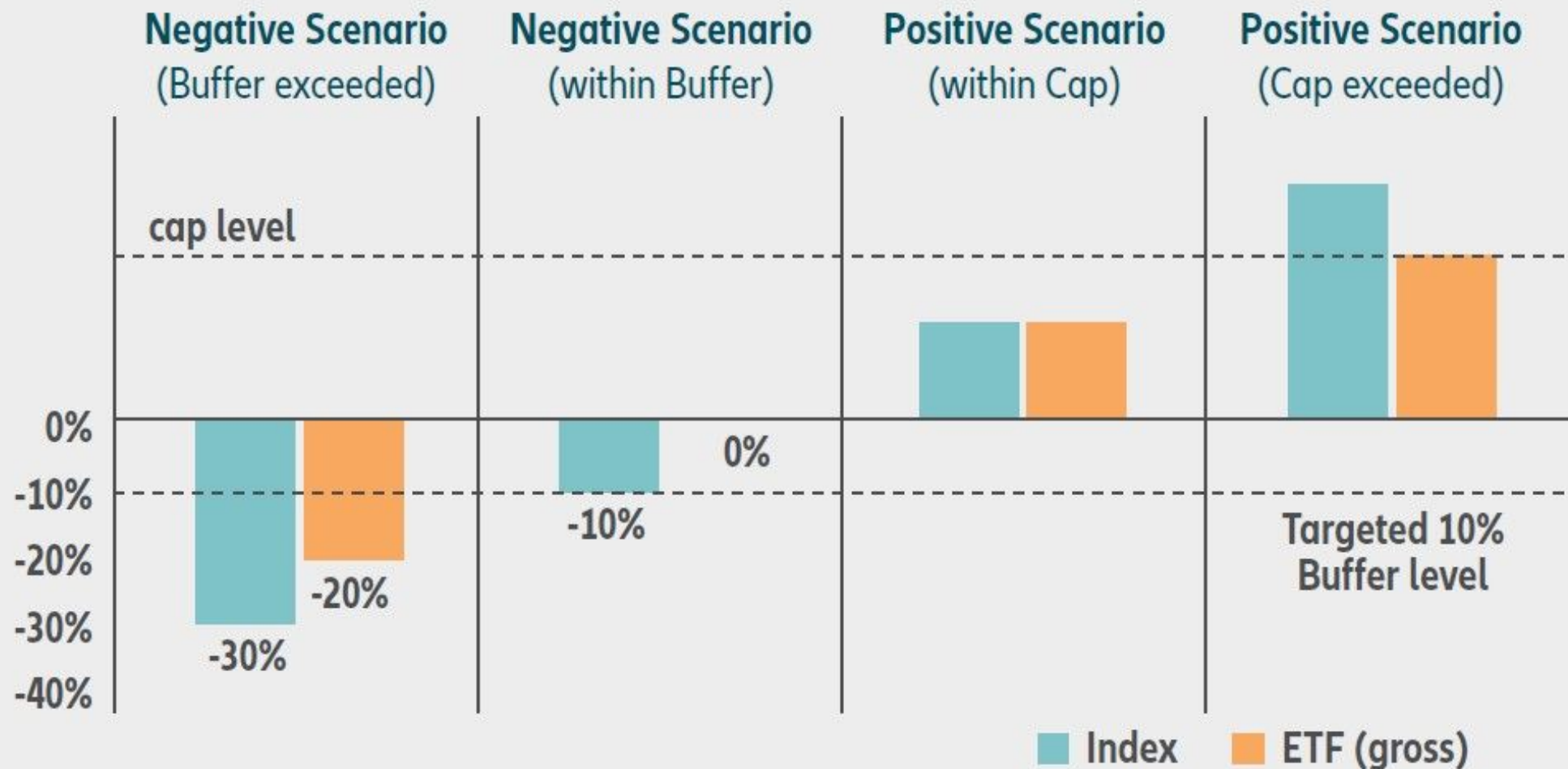
Example: An outcome period from January 1st to December 31st with a 9% buffer and 18% cap. The first 9% of losses are buffered. If the market is down 11%, the investor would be down 2%. If the market was up 23%, the investor would be capped at 18%.

Example: An outcome period from October 1st to September 30th (365 days) with a 15% buffer and 16% cap. The first 15% of losses are buffered. If the market is down 18%, the investor would be down 3%. If the market was up 23%, the investor would be capped at 16%.

The investor can choose from a variety of protection levels and outcome time frames. The quarterly options buffer losses on a quarterly basis (for example: a 20% buffer over a 3 month period).

# Protected Portfolio Investment Strategy (ETFs)

## Possible outcomes across four market scenarios





# LPP'S UNIQUE POSITION TO SERVE YOU:

## WHAT DO CLIENTS NEED (AND SAY THEY NEED/WANT)?

### WHAT RETIREES NEED (TECHNICAL)

- TOP priorities (1A): Tax planning, investment planning, income planning
- 1B: Estate planning, insurance/healthcare planning

### WHAT RETIREES NEED (NON-TECHNICAL)

- Their advisor to out-live them
- Empathy, compassion, trust
- Communication and follow through
- Experienced advisor
- No single advisor serving more than 150 clients

# LPP'S UNIQUE POSITION TO SERVE YOU:

## THE LIFEPOINT PLANNING DIFFERENCE

Maximum amount  
of Experience  
relative to age

Business model/  
fee structure

Real Planning  
(only 11% of  
advisors deliver  
comprehensive  
advice)

Custom  
portfolios

Advisor to  
client ratio

## WHAT DOES IT LEAD TO FOR THE CLIENT?

Lower fees (big savings)

Higher value

Better outcomes

# LPP'S UNIQUE POSITION TO SERVE YOU:



## THE LIFEPOINT PLANNING DIFFERENCE: EXPERIENCE

Total number of advisors  
in the US:  
**280,000 - 300,000**

Average FA age: 55  
(20% are 65 or older).  
~40% will retire in the  
next 10 years.

**~97,000** are CERTIFIED  
FINANCIAL PLANNER™  
professionals  
(about 1/3 of all advisors)

Fewer than half of all CFP®'s  
are under 50 and less than  
15% are under the age of 35  
(about 1 in 10)

Takeaway: about 3%  
of advisors are  
CFP®'s under 35.

But how many  
have 10+ years of  
experience?

# LPP'S UNIQUE POSITION TO SERVE YOU:

## WHY CAN'T LARGE FIRMS DELIVER?

Investment only  
(no planning)

High  
overhead =  
high fees (with no  
sustainable  
performance to  
back it up)

Scale requires  
more boilerplate  
solutions

# FLAT FEE VS. PERCENTAGE BASED FEES

Starting Account Value	\$1,500,000
% Based AUM Fee	1.00%
% Based Fee in \$	\$15,000
Flat Fee	\$10,200
Flat Fee Inflation %	3%
Account Growth %	7%

Initial Percentage Savings
32.00%

10 Years	
Fee Savings:	\$80,780
Account value difference:	\$87,380

15 Years	
Fee Savings:	\$159,431
Account value difference:	\$204,629

20 Years	
Fee Savings:	\$277,706
Account value difference:	\$411,322



As you can see, fees matter. Our goal isn't to be the cheapest in the marketplace, but rather to be the best value for clients. A flat fee business model allows for more money in the client's pocket and can save hundreds of thousands of dollars over 20 years.



# NEXT STEPS



## Authorize Client Agreement

- Read and authorize client agreement.



## Move Accounts to Schwab

- Move Accounts to Schwab
- John: IRA consolidated into 1; Roth IRA
- Jane: IRA; Roth IRA
- Joint: Trust Account



## Implement Savings and Investment Plan

- Simplify portfolio with fewer holdings
- Align portfolio to meet goal of a more defensive portfolio
- Compare tax scenarios for farm investment



# Thank You



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